

**STATEMENT OF PROCEEDINGS FOR THE SPECIAL MEETING OF THE
CITY OF MAYWOOD OVERSIGHT BOARD**

**CITY OF MAYWOOD
CITY COUNCIL CHAMBERS
4319 EAST SLAUSON AVENUE
MAYWOOD, CALIFORNIA 90270**

Wednesday, August 29, 2012

9:30 a.m.

AUDIO LINK FOR THE ENTIRE MEETING. (12-4483)

Attachments: [Audio](#)

I. CALL TO ORDER

Chair Lilian Myers called the meeting to order at 9:34 a.m.

II. ROLL CALL

Rhonda Rangel, Administrative Support Staff, called the roll.

Present: Board Members Eduardo Adame, Sam Pedroza, Andrew Sanchez, John Walsh, Louisa Ollague, Vice Chair Oscar Magana and Chair Lilian Myers

III. PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Board Member Louisa Ollague.

IV. PUBLIC PARTICIPATION (AGENDA ITEMS ONLY)

At this time speakers wishing to address the Oversight Board on an item on the agenda will be called upon in the order that the speaker card is received. The maximum time allotted for individuals to speak shall not exceed three (3) minutes.

There were none.

V. ADMINISTRATIVE MATTER

1. Recommendation: Schedule meeting dates in the month of September 2012 for the review and discussion of the Due Diligence Review. (12-3965)

Regina Tercero, Finance Manager, City of Maywood, presented a verbal report on the Due Diligence Review (DDR) process. Ms. Tercero informed the Oversight Board that the Auditor-Controller approved the audit firm Moss, Levy and Harson to conduct the DDR. Moss, Levy and Harson was

the same firm used for the Agreed Upon Procedures. The firm is scheduled to begin the DDR process the week of September 17, 2012 and would take approximately three (3) days at a fee \$4,500.

By Common Consent, there being no objection, the Oversight Board accepted Ms. Tercero's report.

VI. DISCUSSION AND ACTION ITEMS

2. Review and approve the Request for Proposal to provided legal services to the Maywood Oversight Board. (12-4106)

Yolanda Summerhill, Successor Agency Attorney, presented a staff report and explained that she had contacted Los Angeles County Counsel about the possibility in representing the Maywood Oversight Board and was waiting to receive an email regarding the Request for Proposal. Ms. Summerhill informed the Oversight Board about the potential conflict of interest arising from having Los Angeles County Counsel provide counsel to the Oversight Board. Ms. Summerhill gave an overview of the relevant supporting documents, and indicated that with Oversight Board approval the Request for Proposal (RFP) for legal services can be announced.

Board Member Ollague inquired as to the amount budgeted for the RFP. Ms. Summerhill indicated that there was no budget maximum, but once the RFP deadline is final, the Oversight Board will have the opportunity to review the submitted applications and determine how much legal advice is necessary and or needed.

Board Member Sanchez stated that the Oversight Board can contract for additional legal services, but it is unclear how the expense would be dealt with. Ms. Summerhill stated that legal services would be considered either an enforceable obligation or an administrative cost. Board Member Sanchez asked whether an approved RFP is included as an additional line item on the ROPS and would it be subject to final approval from the Department of Finance (DOF).

Rhonda Rangel, Administrative Support Staff to the Oversight Board, informed that the DOF has the final determination on what is approved on the ROPS. However, various cities discussed the possibility that the City incur the costs if the DOF disapproves the line item.

The Oversight Board discussed the date of the next meeting which is scheduled for September 12, 2012. Chair Myers suggested rescheduling the meeting for the week of September 22nd, and moved to cancel the September 12, 2012 meeting and scheduled a Special Meeting for September 26, 2012 at 9:30 a.m.

Board Member Ollague requested the Oversight Board to set a 'CAP' on the potential expense of the RFP. Chair Myers informed the Oversight Board that the RFP is a controllable expense and the Oversight Board can add a not-to-exceed amount, for example “not to exceed \$50,000.” Once the hourly rates are known, the Oversight Board can determine the amount of the allowable expenditure.

The Oversight Board suggested that RFPs be submitted by September 21, 2012. Ms. Summerhill inquired if the vetting process would be conducted by the Successor Agency staff or by the Oversight Board. Chair Myers suggested that the Successor Agency staff received the RFPs and provide the Oversight Board with a list of potential candidates by September 24, 2012.

Board Member Ollague requested that the summarized list be presented at the October meeting. Board Member Walsh also suggested that an action be taken to retaining legal counsel be allowed at that time. Andre Dupret, Project Manager, City of Maywood, noted that the current RFP draft reads that the RFPs be submitted to the “Clerk of the Maywood Oversight Board.” Mr. Dupret recommended that it be revised to indicate that the Request for Proposal should be submitted to the “Project Manager of the Maywood Oversight Board.”

After discussion, on motion of Board Member Ollague, seconded by Vice Chair Magana, duly carried by the following vote, the Oversight Board approved and adopted the Resolution of the Request for Proposal for Legal Services to the Maywood Oversight Board; and instructed the Successor Agency to amend the Request for Proposal to indicate “that the Requests for Proposals should be submitted to the Project Manager of the Maywood Oversight Board no later than 5:00 p.m., Monday, September 24, 2012”:

Ayes: 7 - Board Members Adame, Pedroza, Sanchez, Walsh, Ollague, Vice Chair Magana and Chair Myers

Attachments: [Staff Report](#)

3. Review, approve and adopt resolution for the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2013 through June 30, 2013. (Continued from the meeting of 08-15-12) (12-3604)

Andre Dupret, Project Manager, City of Maywood, presented a verbal report informing the Oversight Board that ROPS 3 was continued from the August 15, 2012 meeting were three items on the ROPS 3 were not approved and the current ROPS 3 was modified to reflect requested changes. Mr. Dupret also responded to questions posed by the Oversight Board.

Yolanda Summerhill, Successor Agency Legal Counsel, informed the Oversight Board that on Line Item No. 24, the amount was reduced for legal expenses to \$18,360, to reflect actual cost spent.

Board Member Ollague asked whether the estimated \$135,720 is correct for legal expenses in 2012-13. Regina Tercero, Finance Manager, City of Maywood, explained that the estimated amount is based on the budget and not on actual expenditures and; therefore, may be revised in the future.

Board Member Walsh inquired about Line Item No. 17, referencing the 10% interest rate. Mr. Dupret stated that the reference would be struck from the ROPS 3 because the Successor Agency intends to renegotiate interest rates and would provide a revised copy of the draft ROPS 3 to the Oversight Board.

During discussion, Chair Myers requested, as a courtesy to the public, staff and members present, refrain from phone texting.

Mr. Dupret further informed the Oversight Board, for clarification purposes, in order to address Agenda Item Nos. 4 and 5, the following line items were not approved on the August 15, 2012 Oversight Board meeting:

- **Line Item No. 24 – Legal Expenses**
- **Line Item No. 26 – Successor Agency Staff Administrative Cost**
- **Line Item No. 28 - Maintenance and Improvement of the CDC Agency owned properties**

On motion of Board Member Walsh, seconded by Chair Myers, duly carried by the following vote, the Oversight Board approved the Recognized Obligation Payment Schedule with the amendment on Line Item No. 17 to strike the 10% interest rate; and adopted the "Resolution of the Oversight

Board of the Successor Agency to the Maywood Community Redevelopment Agency Approving and Adopting the Third Recognized Obligation Payment Schedule (ROPS III) for the period January 1, 2013 through June 30, 2013 as Required by Health and Safety Code Section 34177":

Ayes: 4 - Board Members Sanchez, Walsh, Vice Chair Magana and Chair Myers

Noes: 3 - Board Members Adame, Pedroza and Ollague

Attachments: [ROPS III - January 1, 2013 through June 30, 13](#)

4. Resolution Adopting the Administrative Budget for the Third Recognized Obligation Payment Schedule (ROPS III). (Continued from the meeting of 08-15-12) (12-3787)

Andre Dupret, Project Manager, City of Maywood, provided a staff report and informed the Oversight Board that this item was continued from the August 15, 2012 meeting. Mr. Dupret further advised that the Administrative Budget for ROPS 3 was originally prepared and submitted under the old format with a line item indicating "Legal Expenses." Under the new format, the legal fees item was removed and placed under the obligation category in the ROPS 3.

Yolanda Summerhill, Successor Agency Legal Counsel, further informed that Oversight Board that the form has been updated and placing legal fees as an obligation was approved at the Successor Agency meeting.

Board Member Pedroza inquired whether there was consistency between the budget and actual administrative costs, and Board Member Walsh asked what percentage of the cost accounts for the City Manager's time. Mr. Dupret explained that the administrative budget does not include any employee benefits, as the only full-time City employee is Chair Myers with everyone else working a maximum of 32 hours.

On motion of Board Member Pedroza, seconded by Vice Chair Magana, duly carried by the following vote, the Oversight Board adopted the "Resolution of the Oversight Board of the Successor Agency to the Maywood Community Redevelopment Agency Approving and Adopting an Administrative Budget Pursuant to Health and Safety Code, Section 34177(i)":

Ayes: 7 - Board Members Adame, Pedroza, Sanchez, Board Walsh, Ollague, Vice Chair Magana and Chair Myers

Attachments: [Administrative Budget - ROPS III](#)

5. Review and discussion of Successor Agency Property Assets. (Continued from the meeting of 08-15-12) (12-3216)

Andre Dupret, Project Manager, City of Maywood presented a staff report and provided an overview of the previous discussion of this item from the August 15, 2012 meeting. Mr. Dupret explained that there are three properties that the Successor Agency controlled for the former Redevelopment Agency. The two properties had been intended for commercial use and the third property was intended for park improvement. The Oversight Board discussed the necessary steps to dispose of the former Redevelopment Agency properties.

Board Member Sanchez noted that the final paragraph on page 2 of the report states that AB 1484 restricts the sale of the properties. Yolanda Summerhill, Successor Agency Legal Counsel, explained that the disposition of assets is contingent upon completion of the Due Diligence Review.

Chair Myers pointed out that the former Redevelopment Agency owns three properties, but there are only two properties listed in the report. Mr. Dupret, informed the Oversight Board that on the August 15, 2012 meeting additional information was requested for the two properties located at 5102 and 5110 District Boulevard. Board Member Adame requested information on the third property located at 5515 Maywood Avenue.

Board Member Ollague requested the maintenance funding source of these properties and was advised that funding the ongoing maintenance of these two properties are coming out of the maintenance cost in ROPS 3.

On motion of Vice Chair Magana, seconded by Board Member Pedroza, duly carried by the following vote, the Oversight Board received and filed the staff report:

Ayes: 7 - Board Members Adame, Pedroza, Sanchez, Board Walsh, Ollague, Vice Chair Magana and Chair Myers

Attachments: [Successor Agency Properties](#)

VII. ADJOURNMENT

The meeting adjourned at 11:05 a.m. A Special Meeting has been scheduled for Wednesday, September 26, 2012 at 9:30 a.m.